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6-MONTH PERIODIC REPORT ON THE NATIONAL
EMERGENCY WITH RESPECT TO SUDAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL
EMERGENCY WITH RESPECT TO SUDAN THAT WAS DECLARED
IN EXECUTIVE ORDER 13067 OF NOVEMBER 3, 1997, AND MAT-
TERS RELATING TO THE MEASURES IN THAT ORDER, PURSUANT
TO 50 U.S.C. 1641(c)



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To the Congress of the United States:

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 113067 of November 3, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 3, 1999.*

PRESIDENT'S PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH
RESPECT TO SUDAN

I hereby report to the Congress on developments concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997, and matters relating to the measures in that order. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) ("IEEPA"), and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c). This report discusses only matters concerning the national emergency with respect to Sudan that was declared in Executive Order 13067.

1. On November 3, 1997, I issued Executive Order 13067 (62 *Fed. Reg.* 59989, November 5, 1997—the "Order") to declare a national emergency with respect to Sudan pursuant to IEEPA. A copy of the order was provided to the Speaker of the House and the President of the Senate by letter dated November 3, 1997.

2. Executive Order 13067 became effective at 12:01 a.m., eastern standard time on November 4, 1997. On July 1, 1998, the Department of the Treasury's Office of Foreign Assets Control ("OFAC") issued the Sudanese Sanctions Regulations (the "SSR" or the "Regulations") (63 *Fed. Reg.* 35809, July 1, 1998). The Regulations block all property and interests in property of the Government of Sudan, its agencies, instrumentalities, and controlled entities, including the Central Bank of Sudan, that are in the United States, that hereafter come within the United States, or that are or hereafter come within the possession or control of U.S. persons, including their overseas branches. The SSR also prohibit (1) the importation into the United States of any goods or services of Sudanese origin except for information or informational materials; (2) the exportation or reexportation of goods, technology, or services, to Sudan or the Government of Sudan except for information or informational materials and donations of humanitarian aid; (3) the facilitation by a U.S. person of the exportation or reexportation of goods, technology, or services to or from Sudan; (4) the performance by any U.S. person of any contract including a financing contract, in support of an industrial, commercial, public utility, or governmental project in Sudan; (5) the grant or extension of credits or loans by any U.S. person to the Government of Sudan; and (6) transactions relating to the transportation or cargo.

3. Since the issuance of Executive Order 13067, OFAC has made numerous decisions with respect to applications for authorizations to engage in transactions under the Sudanese sanctions. As of March 23, 1999, OFAC has issued 68 authorizations to non-governmental organizations engaged in the delivery of humanitarian aid and 198 licenses to others. OFAC has denied many requests for licenses. The majority of denials were in response to requests to authorize commercial exports to Sudan—particularly of machinery

and equipment for various industries—and the importation of Sudanese-origin goods. The majority of licenses issued permitted the unblocking of financial transactions for individual remitters who inadvertently routed their funds through blocked Sudanese banks. Other licenses authorized the completion of diplomatic transfers, pre-effective date trade transactions, intellectual property protection, the performance of certain legal services, and transactions relating to air and sea safety policy.

4. At the time of signing Executive Order 13067, I directed the Secretary of the Treasury to block all property and interests in property of persons determined, in consultation with the Secretary of State, to be owned or controlled by, or to act for or on behalf of, the Government of Sudan. On November 5, 1997, OFAC disseminated details of this program to the financial, securities, and international trade communities by both electronic and conventional media. This information included the names of 62 entities owned or controlled by the Government of Sudan. The list includes 12 financial institutions and 50 other enterprises. As of March 17, 1999, OFAC has blocked approximately \$730,000 during this reporting period.

5. During this reporting period, OFAC has collected three civil monetary penalties totaling more than \$13,000 from three U.S. financial institutions for violations of IEEPA and the SSR. The violations related to funds transfers in which the Government of Sudan or an entity owned or controlled by the Government of Sudan had an interest or which involved commercial transactions relating to Sudan. OFAC, in cooperation with the U.S. Customs Service, is closely monitoring potential violations of the import prohibitions of the Regulations by businesses and individuals. Various reports of violations are being pursued aggressively.

6. The expenses incurred by the Federal Government in the six-month period from November 3, 1998, through May 2, 1999, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sudan are reported to be approximately \$360,000, most of which represent wage and salary costs of Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureaus of Economic and Business Affairs, African Affairs, Near Eastern Affairs, Consular Affairs, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsel's Office).

7. The situation in Sudan continues to present an extraordinary and unusual threat to the national security and foreign policy of the United States. The declaration of the national emergency with respect to Sudan contained in Executive Order 13067 underscores the United States Government's opposition to the actions and policies of the Government of Sudan, particularly its support of international terrorism and its failure to respect basic human rights including freedom of religion. The prohibitions contained in Executive Order 13067 advance important objectives in promoting the anti-terrorism and human rights policies of the United States. I shall

exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

